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RAND Corporation

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1 May 1967

Mr. John Bross
2430 E Street, N. W.
Washington, D. C. 20505

Dear John:

Sometime soon I would like to follow up on the conversation that you and Andy Marshall had recently concerning a possible RAND program of research in the area of intelligence. I am in Washington frequently and would be delighted to meet with you, and perhaps Dick Helms, at some mutually convenient time.

As Andy probably told you, we are currently surveying a number of areas in which RAND could develop study programs during the next two or three years. One which seems promising to me is the area of intelligence. Below I mention a few topic areas and intelligence problems that occur to us as being potentially interesting to RAND and, we would hope, to the intelligence community. In order to conduct major programs of effective studies on intelligence problems, however, RAND would have to recruit additional experienced people and special arrangements would have to be made for access to and storage of appropriate materials, either at a RAND facility or at a facility easily available to the RAND people working on the program. The potential payoff from improvements in the methods of intelligence analysis, or in the efficiency with which the intelligence community operates, are so great that any program of studies promising improvements seems likely to be worthwhile.

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The nature of the relationship of RAND to the intelligence community in contracting for a program of studies on intelligence problems should be, I believe, as follows: On RAND's part, we would commit ourselves to build up appropriate staff and a study program

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for a continuing effort on some broadly specified intelligence problem areas. The intelligence community would commit itself to continuing support of this program of study. The nature of the program itself would be in part directly responsive to requests for RAND to study particular problems of current interest to people in the intelligence community and in part determined by the people working on the project at RAND. Past experience has indicated that the freedom to generate projects and to pursue them is an important requirement for the recruiting and retaining of first-rate personnel and for the continued effective functioning of any overall research program. The exact balance between the two general types of effort would be a matter of discussion and agreement between RAND and representatives of the intelligence community. For a variety of reasons, it seems reasonable that any program would start at a fairly low level of funding and build up over a period of two or three years to a specified, continuing level.

Areas of research that such a program of studies might concern have with have been discussed among a few knowledgeable people here. The following are some areas that occur to us, but we would be glad to survey the field with you and others in the intelligence community.

1. Studies relating to problems of program budgeting and planning in intelligence. As you know, I am aware of your study which attempts to measure the cost-effectiveness of some major collection systems. This is a new area for cost-effectiveness studies and, as part of a RAND program, some effort might be devoted to the development of improved cost-effectiveness analysis methods appropriate to the evaluation of major intelligence programs.

Program budgeting in the intelligence area faces some of the same problems that it does in the general purpose forces area in the Pentagon. The various parts of the general purpose forces (or of intelligence organization collection systems, etc.) are multi-purpose and can be involved in many types of activities against many different targets. We need some new ideas as to how best to implement program budgeting systems (or to carry out cost-effectiveness

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studies) in this situation. Perhaps particular studies of problems of program budgeting in the intelligence area would be an appropriate framework within which to look again at this set of problems. It might be possible to try to develop several alternative ways of packaging the intelligence program that would lead more naturally to the kinds of analyses and considerations appropriate to long-term planning.

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2. Studies of the intelligence estimating process. One suggestion is to study the estimating process itself, to describe it not only as an organizational process, but also as an intellectual process indicating at each step the nature of the input data, the nature of the inferences being made, and the methods by which specific kinds of inferences are derived. This description would facilitate discussion of the process itself and the search for improvements through studies of parts of the process, the development of improved estimation techniques etc.

We already have started a program of studies in the analysis of organizational behavior. A description in general terms of the nature of this project is attached. The initial impetus for the study of organizational behavior came from the intelligence area (see RM-3612 by Andy Marshall and Joe Loftis). In estimating future Soviet military programs, what one is essentially trying to do is to make a projection about the probable behavior and decisions of a complicated governmental organization and bureaucracy. In making such projections there is a tendency to rely on the assumption that the Soviets, or other foreign governments, can be treated as though they were unitary rational decisionmaking units. The objective of this study program is to look for a substitute basis for making such predictions or forecasts. You might have interest in the results of this analysis and be willing to support a part of this study program devoted more particularly to the improvement of the intelligence estimating procedure.

Another possibility under this heading might be the development and test of some of the techniques that Professor Ward Edwards of the University of Michigan has developed for probability

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information processing systems. There might be some way at RAND to test the application of these methods to the diagnostic problems that repeatedly confront the intelligence community, for example, as in the case of the current ABM problem. There are many situations in which the problem before intelligence analysts is that of deciding the nature of a particular weapons system, Soviet deployment objectives, etc. Edwards' methods seem interesting to us, and possibly worth a try on the specific intelligence type of inferential and diagnostic problems. Edwards is already a RAND consultant and spends several days a month here.

Edwards' work is only one example of developments in various areas that we believe ought to be examined to see what fruit they might bear for the intelligence inference and estimating problem. Developments in the areas of statistical decision theory and artificial intelligence (making computers and computer systems more intelligent and imaginative) are two other areas that seem promising to us.

Also RAND has a number of very competent technical people; some of them have been devoting part of their time over the last years as consultants to various parts of the intelligence community. It might be possible that teams could be developed here to look at specific estimating problems where the technical background of these people could be put to use. I know that the CIA already makes extensive use of outside consultants and technical experts. I mention this possibility only because it might be feasible to use some of these people more effectively and more regularly in an appropriate RAND program on intelligence matters.

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Finally, if such a program existed at RAND, RAND would become a place where people from the CIA, or perhaps other intelligence organizations, could go for periods of time in order either to participate in the study program, or perhaps to undertake some studies of their own. This would allow these persons to carry out research and reflection on intelligence problems away from the distractions of their

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offices. The universities cannot really offer this; RAND could. Such a sabbatical program, or special tours for research on a wide variety of intelligence problems of a substantive or methodological nature, might be valuable to the CIA or other intelligence organizations.

RAND is considering increased operations on the East Coast, possibly in the Washington area. Up to now our Washington office has been devoted largely to liaison with various government agencies. An expanded research effort in the East, if situated in the Washington area, might lend us more naturally to undertake there some part of our work on any intelligence community contract. This could ease some of the obvious access problems, might provide a more convenient home for CIA and other researchers on leave from parent organizations in the intelligence community. As of now we have no firm plans with regard to the Eastern expansion, but if it were to happen it is obviously relevant to any discussion of the nature of a RAND effort on intelligence problems.

You will, of course, have ideas of your own concerning appropriate and interesting problem areas. I look forward to hearing of them from you. I hope we can get together soon to discuss the possible content of such a program of studies, and start to explore the likely mutual interest of an appropriately specified program of studies in the intelligence area. There is also a question as to what organization within the government is the best or appropriate contractor. Above I have used the term "intelligence community," but the contractor for such a program of studies could be the CIA, your office, or some combination of organizations within the intelligence community. This needs much thought. The types of studies likely to be of most interest to RAND and in which RAND is likely to have a comparative advantage should interest and be of use to the whole of the intelligence community, even though a particular office or organization within the community holds the contract.

Sincerely,



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